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COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

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GLORIA MOLINA

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ZEVI YAROSLAVSKY

DON KNABE

MICHAEL D. ANTONOVICH

March 3, 2010

TO: William T Fujioka
Chief Executive Officer

FROM: Sachi A. Hamai 
Executive Officer

SUBJECT: REPORT ON CAPS AND LIMITS IN TIME ACCUMULATION
TO CONTROL PAYOUTS FOR EMPLOYEES ENDING SERVICE
WITH THE COUNTY

At the Board of Supervisors' meeting held March 2, 2010, Supervisor Antonovich requested you to report back to the Board on limits or caps on time that an employee can accumulate in order to prevent large payouts such as the ones in recent reports where public sector employees ending service were given payouts of six figure values.

Enclosed is a copy of the transcript to assist you in preparing your report.

SAH:ag

Enclosure

c: Each Supervisor

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**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

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2 **SUP. MOLINA, CHAIR:** SO YOU'RE SAYING LIKE HEALTHCARE SERVICES,
3 MENTAL HEALTH SERVICES?

4

5 **SUP. ANTONOVICH:** MENTAL HEALTH AND THE SHERIFF'S DEPARTMENT.

6

7 **SUP. MOLINA, CHAIR:** AND THE SHERIFF'S DEPARTMENT. OKAY.

8

9 **C.E.O. FUJIOKA:** WE HAVE ASKED THE MENTAL HEALTH DEPARTMENT TO
10 START TRACKING THE COSTS. THERE WILL BE SOME DEGREE OF
11 DIFFICULTY BUT TO THE EXTENT WE CAN WE ARE GOING TO TRY AND
12 IDENTIFY THOSE COSTS.

13

14 **SUP. MOLINA, CHAIR:** ALL RIGHT. IF THEY CAN IDENTIFY IT, THAT'S
15 GOOD. ALL RIGHT.

16

17 **SUP. ANTONOVICH:** AND THEN THE LAST ONE, THERE WAS A REPORT
18 THAT CAME OUT I HAD HEARD ON THE RADIO RELATIVE TO STATE
19 WORKER PAYOUT BREAK RULES. I KNOW ABOUT A WEEK AGO THERE WAS
20 AN ARTICLE THAT APPEARED WITH SENATOR OR I SHOULD SAY GOVERNOR
21 CHRISTY OF NEW JERSEY WHERE IT POINTED OUT THAT A
22 SUPERINTENDENT OF INSTRUCTION AT ONE OF THE SCHOOLS HAD AN
23 \$875,000 PAYOUT ON HIS RETIREMENT. BUT IN THE STATE OF
24 CALIFORNIA, IT INDICATED THAT AS DECEMBER 2008, MORE THAN
25 14,000 ACTIVE STATE EMPLOYEES HAD EXCEEDED THE VACATION CAPS.



The Meeting Transcript of
The Los Angeles County Board of Supervisors

1 ONE OF THOSE WAS MR. TUDOR, WHO WAS THE PRESIDENT OF THE STATE
2 COMPENSATION INSURANCE FUND. AND HE TOOK HOME MORE THAN
3 \$550,000 AFTER HE WAS FIRED IN 2007. ANOTHER ONE WAS A DOCTOR
4 AT ONE OF THE STATE PENITENTIARIES. HE TOOK HOME \$815,000 WHEN
5 HE LEFT STATE SERVICE RECENTLY, WHICH WAS 10 TIMES THE LIMIT
6 OF COMP TIME FOR PHYSICIANS, LET THE RECORD SHOW. AND THEN
7 THEY INDICATED THAT JUDY CHAPMAN OF THE CHIEF DEPUTY DIRECTOR
8 OF POLICY AT THE STATE DEPARTMENT OF PERSONNEL ACKNOWLEDGED
9 THAT AND ESTIMATED \$100 MILLION IN PAYMENT HAS BEEN MADE OVER
10 THE LIMIT AND MORE THAN ONE-FIFTH OF THOSE IN TOTAL LEAD
11 PAYMENTS CONSTITUTED A FAIR ESTIMATE. THAT WAS ABOUT HALF A
12 BILLION DOLLARS. AND THE QUESTION IS: DO WE HAVE A CAP? AND IF
13 NOT, COULD YOU GIVE A REPORT TO THE BOARD AS TO PERHAPS HAVING
14 CAPS OR LIMITS SO THAT IT DOESN'T GO INTO SIX FIGURES, SEVEN
15 FIGURES?

16

17 **C.E.O. FUJIOKA:** WE CAN REPORT BACK. WE DON'T HAVE A CAP, PER
18 SE. WHAT LIMITS THE PAYMENT IS THE NUMBER OF HOURS A PERSON
19 CAN ACCUMULATE. BUT FOR SOME CLASSIFICATIONS, SOME OF THE
20 MANAGEMENT CLASSIFICATIONS, AND EVEN SOME, BOTH NOT ONLY IN
21 THE CIVILIAN BUT ALSO IN THE SWORN DEPARTMENTS, YOU WILL FIND
22 INSTANCES WHERE WHEN THE INDIVIDUAL RETIRES AFTER A VERY LONG
23 CAREER AND THEY'RE PAID FOR THEIR ACCUMULATED TIME, INCLUDING
24 VACATION, SOME SICK TIME AND THEN THE OVERTIME, IT WILL --
25 THERE WILL BE INSTANCES WHERE IT WILL BE A VERY LARGE AMOUNT.



The Meeting Transcript of
The Los Angeles County Board of Supervisors

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2 **SUP. ANTONOVICH:** IN NEW JERSEY, THAT COAST, I STAND CORRECTED,
3 WAS \$740,000, WHICH INCLUDED \$184,586 FOR UNUSED SICK LEAVE
4 WHICH THE SUPERINTENDENT OF INSTRUCTION HAD RECEIVED IN HIS
5 PAY. BUT THERE'S A BIPARTISAN -- THE LEADERS OF THE DEMOCRAT
6 REPUBLICAN PARTIES HAVE A SPECIAL SESSION DEALING WITH CAPS
7 AND ALL THAT. AND PERHAPS WE CAN LOOK AT WHAT THEIR
8 SUGGESTIONS OR RECOMMENDATIONS ARE. THIS IS ONGOING. BUT I
9 KNOW THAT PENSIONS AND BUYOUTS ARE GOING TO BE THE NEXT 800-
10 POUND GORILLAS THAT LOCAL GOVERNMENT WILL BE FACING ALONG WITH
11 THE STATE. I KNOW OUR STATE RETIREMENT SYSTEM HAS A VERY HIGH
12 DEFICIT, UNLIKE THE COUNTY OF LOS ANGELES RETIREMENT SYSTEM.
13 BUT WE'RE GOING TO HAVE TO GET A HANDLE ON SOME OF THESE
14 COSTS.

15

16 **C.E.O. FUJIOKA:** WE WILL REPORT BACK ON THIS FOR YOU.

17

18 **SUP. ANTONOVICH:** THANK YOU. THAT'S ALL I HAVE.

19

20 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO ORDERED, I MEAN, THAT'S JUST
21 ASKING FOR THE REPORT.

22

23 **SUP. ANTONOVICH:** YEAH.

24